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REDUCTION OF MILITARY BUDGETS

Transparency of military expenditures

Report of the Secretary-General

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* A/49/50/Rev.1.

I. INTRODUCTION

1. The General Assembly, at its forty-eighth session, adopted resolution 48/62 of 16 December 1993, entitled "Reduction of military budgets: transparency of military expenditures", calling upon all Member States to participate in the United Nations system for the standardized reporting of military expenditures as adopted by the General Assembly. The Assembly also requested the Secretary-General to seek the views of Member States on ways and means to strengthen, and to broaden participation in, the United Nations system for the standardized reporting of military expenditures and to submit a report on the subject to the General Assembly at its forty-ninth session.

2. In pursuance of that request, the Secretary-General addressed a note verbale on 28 February 1993 to the Governments of Member States inviting them to submit their views by 31 May 1994.

3. To this date, the Secretary-General has received replies from Bulgaria, Ethiopia and Finland.

II. REPLIES RECEIVED FROM GOVERNMENTS

BULGARIA

[Original: English]

[10 June 1994]

1. The Republic of Bulgaria participates regularly in the United Nations system for the standardized reporting of military expenditures as adopted by the General Assembly. In April 1994, in conformity with General Assembly resolution 40/91 B of 12 December 1985, the Bulgarian Government reported to the Secretary-General its military expenditures for the 1993 fiscal year using the United Nations reporting instrument.

2. As to the proposals by certain Member States on actual expenditures reporting, provided for consultations in 1993, the current stage in the development of the national accounting mechanism concerning the defence expenditures by type of resource costs, as well as considerations related to the structure of the Bulgarian Army discourage acceptance of such proposals.

ETHIOPIA

[Original: English]

[4 May 1994]

1. It is to be remembered that Ethiopia used to spend billions of dollars on arms during the past regime. Defence used to account for more than 50 per cent of the national budget. However, the picture has changed drastically since peace has prevailed and the country is actively engaged in economic reconstruction. Defence now accounts for a little more than 10 per cent of the national budget, and this has been the case for the last three years.

2. Moreover, no arms have been imported after the downfall of the past regime. The arms Ethiopia possesses at the moment are only those which were purchased by the former Government. The bulk of them are now, in fact, junk and hence hardly of any use. Ethiopia keeps the rest only for defence purposes.

3. In this connection, the Transitional Government would like to reaffirm its readiness to cooperate with the Secretary-General in this regard whenever requested.

FINLAND

[Original: English]

[22 June 1994]

1. Finland has actively participated in the United Nations system for the standardized reporting of military expenditures since its adoption by the United Nations. We would also like to point out that the members of the Conference on Security and Cooperation in Europe (CSCE) have agreed on the system of reporting of their military expenditures based on the United Nations standardized reporting system. Information gained from both of these systems has proved to serve reasonably well the needs of Finland.

2. Would all the Member States fully apply the agreed principles to their reporting, the present United Nations system of standardized reporting could be considered to be effective and to provide enough information. Some defects recognized in the present system could possibly be avoided by including in the reporting system a simple verification mechanism. It could be similar to the one which is applied to the relevant CSCE reporting system and makes it possible for other member States to ask for additional background, information and clarifications about the submitted information. The questions and answers could then be communicated to all Member States. This would, in our view, not only strengthen and broaden the participation in the reporting system, but also promote openness and transparency on military expenditures as well as enhance the flow of objective information on military matters in general.